



General Assembly

February Session, 2014

***Raised Bill No. 5268***

LCO No. 1345



Referred to Committee on BANKS

Introduced by:  
(BA)

***AN ACT CONCERNING CONSUMER CREDIT LICENSES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 36a-2 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 As used in this title, unless the context otherwise requires:

4 (1) "Affiliate" of a person means any person controlling, controlled  
5 by, or under common control with, that person;

6 (2) "Applicant" with respect to any license or approval provision  
7 pursuant to this title means a person who applies for that license or  
8 approval;

9 (3) "Automated teller machine" means a stationary or mobile  
10 unattended device, including a satellite device but excluding a point of  
11 sale terminal, at which banking transactions, including, but not limited  
12 to, deposits, withdrawals, advances, payments or transfers, may be  
13 conducted;

14       (4) "Bank" means a Connecticut bank or a federal bank;

15       (5) "Bank and trust company" means an institution chartered or  
16 organized under the laws of this state as a bank and trust company;

17       (6) "Bank holding company" has the meaning given to that term in  
18 12 USC Section 1841(a), as amended from time to time, except that the  
19 term "bank", as used in 12 USC Section 1841(a) includes a bank or out-  
20 of-state bank that functions solely in a trust or fiduciary capacity;

21       (7) "Capital stock" when used in conjunction with any bank or out-  
22 of-state bank means a bank or out-of-state bank that is authorized to  
23 accumulate funds through the issuance of its capital stock;

24       (8) "Client" means a beneficiary of a trust for whom the Connecticut  
25 bank acts as trustee, a person for whom the Connecticut bank acts as  
26 agent, custodian or bailee, or other person to whom a Connecticut  
27 bank owes a duty or obligation under a trust or other account  
28 administered by such Connecticut bank, regardless of whether such  
29 Connecticut bank owes a fiduciary duty to the person;

30       (9) "Club deposit" means deposits to be received at regular intervals,  
31 the whole amount deposited to be withdrawn by the owner or repaid  
32 by the bank in not more than fifteen months from the date of the first  
33 deposit, and upon which no interest or dividends need to be paid;

34       (10) "Commissioner" means the Banking Commissioner and, with  
35 respect to any function of the commissioner, includes any person  
36 authorized or designated by the commissioner to carry out that  
37 function;

38       (11) "Company" means any corporation, joint stock company, trust,  
39 association, partnership, limited partnership, unincorporated  
40 organization, limited liability company or similar organization, but  
41 does not include (A) any corporation the majority of the shares of  
42 which are owned by the United States or by any state, or (B) any trust

43 which by its terms shall terminate within twenty-five years or not later  
44 than twenty-one years and ten months after the death of beneficiaries  
45 living on the effective date of the trust;

46 (12) "Connecticut bank" means a bank and trust company, savings  
47 bank or savings and loan association chartered or organized under the  
48 laws of this state;

49 (13) "Connecticut credit union" means a cooperative, nonprofit  
50 financial institution that (A) is organized under chapter 667 and the  
51 membership of which is limited as provided in section 36a-438a, (B)  
52 operates for the benefit and general welfare of its members with the  
53 earnings, benefits or services offered being distributed to or retained  
54 for its members, and (C) is governed by a volunteer board of directors  
55 elected by and from its membership;

56 (14) "Connecticut credit union service organization" means a credit  
57 union service organization that is incorporated under the laws of this  
58 state, located in this state and established by at least one Connecticut  
59 credit union;

60 (15) "Consolidation" means a combination of two or more  
61 institutions into a new institution; all institutions party to the  
62 consolidation, other than the new institution, are "constituent"  
63 institutions; the new institution is the "resulting" institution;

64 (16) "Control" has the meaning given to that term in 12 USC Section  
65 1841(a), as amended from time to time;

66 (17) "Credit union service organization" means an entity organized  
67 under state or federal law to provide credit union service organization  
68 services primarily to its members, to Connecticut credit unions, federal  
69 credit unions and out-of-state credit unions other than its members,  
70 and to members of any such other credit unions;

71 (18) "Customer" means any person using a service offered by a

72 financial institution;

73 (19) "Demand account" means an account into which demand  
74 deposits may be made;

75 (20) "Demand deposit" means a deposit that is payable on demand,  
76 a deposit issued with an original maturity or required notice period of  
77 less than seven days or a deposit representing funds for which the  
78 bank does not reserve the right to require at least seven days' written  
79 notice of the intended withdrawal, but does not include any time  
80 deposit;

81 (21) "Deposit" means funds deposited with a depository;

82 (22) "Deposit account" means an account into which deposits may  
83 be made;

84 (23) "Depositor" includes a member of a mutual savings and loan  
85 association;

86 (24) "Director" means a member of the governing board of a  
87 financial institution;

88 (25) "Equity capital" means the excess of a Connecticut bank's total  
89 assets over its total liabilities, as defined in the instructions of the  
90 federal Financial Institutions Examination Council for consolidated  
91 reports of condition and income;

92 (26) "Executive officer" means every officer of a Connecticut bank  
93 who participates or has authority to participate, otherwise than in the  
94 capacity of a director, in major policy-making functions of such bank,  
95 regardless of whether such officer has an official title or whether that  
96 title contains a designation of assistant and regardless of whether such  
97 officer is serving without salary or other compensation. The president,  
98 vice president, secretary and treasurer of such bank are deemed to be  
99 executive officers, unless, by resolution of the governing board or by  
100 such bank's bylaws, any such officer is excluded from participation in

101 major policy-making functions, otherwise than in the capacity of a  
102 director of such bank, and such officer does not actually participate in  
103 such policy-making functions;

104 (27) "Federal agency" has the meaning given to that term in 12 USC  
105 Section 3101, as amended from time to time;

106 (28) "Federal bank" means a national banking association, federal  
107 savings bank or federal savings and loan association having its  
108 principal office in this state;

109 (29) "Federal branch" has the meaning given to that term in 12 USC  
110 Section 3101, as amended from time to time;

111 (30) "Federal credit union" means any institution chartered or  
112 organized as a federal credit union pursuant to the laws of the United  
113 States having its principal office in this state;

114 (31) "Fiduciary" means a person undertaking to act alone or jointly  
115 with others primarily for the benefit of another or others in all matters  
116 connected with its undertaking and includes a person acting in the  
117 capacity of trustee, executor, administrator, guardian, assignee,  
118 receiver, conservator, agent, custodian under the Connecticut Uniform  
119 Gifts to Minors Act or the Uniform Transfers to Minors Act, and acting  
120 in any other similar capacity;

121 (32) "Financial institution" means any Connecticut bank,  
122 Connecticut credit union, or other person whose activities in this state  
123 are subject to the supervision of the commissioner, but does not  
124 include a person whose activities are subject to the supervision of the  
125 commissioner solely pursuant to chapter 672a, 672b or 672c or any  
126 combination thereof;

127 (33) "Foreign bank" has the meaning given to that term in 12 USC  
128 Section 3101, as amended from time to time;

129 (34) "Foreign country" means any country other than the United

130 States and includes any colony, dependency or possession of any such  
131 country;

132 (35) "Governing board" means the group of persons vested with the  
133 management of the affairs of a financial institution irrespective of the  
134 name by which such group is designated;

135 (36) "Holding company" means a bank holding company or a  
136 savings and loan holding company, except, as used in sections 36a-180  
137 to 36a-191, inclusive, "holding company" means a company that  
138 controls a bank;

139 (37) "Insured depository institution" has the meaning given to that  
140 term in 12 USC Section 1813, as amended from time to time;

141 (38) "Licensee" means any person who is licensed or required to be  
142 licensed pursuant to the applicable provisions of this title;

143 (39) "Loan" includes any line of credit or other extension of credit;

144 (40) "Loan production office" means an office of a bank or out-of-  
145 state bank, other than a foreign bank, whose activities are limited to  
146 loan production and solicitation;

147 (41) "Merger" means the combination of one or more institutions  
148 with another which continues its corporate existence; all institutions  
149 party to the merger are "constituent" institutions; the merging  
150 institution which upon the merger continues its existence is the  
151 "resulting" institution;

152 (42) "Mutual" when used in conjunction with any institution that is a  
153 bank or out-of-state bank means any such institution without capital  
154 stock;

155 (43) "Mutual holding company" means a mutual holding company  
156 organized under sections 36a-192 to 36a-199, inclusive, and unless  
157 otherwise indicated, a subsidiary holding company controlled by a

158 mutual holding company organized under sections 36a-192 to 36a-199,  
159 inclusive;

160 (44) "Out-of-state" includes any state other than Connecticut and  
161 any foreign country;

162 (45) "Out-of-state bank" means any institution that engages in the  
163 business of banking, but does not include a bank, Connecticut credit  
164 union, federal credit union or out-of-state credit union;

165 (46) "Out-of-state credit union" means any credit union other than a  
166 Connecticut credit union or a federal credit union;

167 (47) "Out-of-state trust company" means any company chartered to  
168 act as a fiduciary but does not include a company chartered under the  
169 laws of this state, a bank, an out-of-state bank, a Connecticut credit  
170 union, a federal credit union or an out-of-state credit union;

171 (48) "Person" means an individual, company, including a company  
172 described in subparagraphs (A) and (B) of subdivision (11) of this  
173 section, or any other legal entity, including a federal, state or municipal  
174 government or agency or any political subdivision thereof;

175 (49) "Point of sale terminal" means a device located in a commercial  
176 establishment at which sales transactions can be charged directly to the  
177 buyer's deposit, loan or credit account, but at which deposit  
178 transactions cannot be conducted;

179 (50) "Prepayment penalty" means any charge or penalty for paying  
180 all or part of the outstanding balance owed on a loan before the date  
181 on which the principal is due and includes computing a refund of  
182 unearned interest by a method that is less favorable to the borrower  
183 than the actuarial method, as defined by Section 933(d) of the Housing  
184 and Community Development Act of 1992, 15 USC 1615(d), as  
185 amended from time to time;

186 (51) "Reorganized savings bank" means any savings bank

187 incorporated and organized in accordance with sections 36a-192 and  
188 36a-193;

189 (52) "Reorganized savings and loan association" means any savings  
190 and loan association incorporated and organized in accordance with  
191 sections 36a-192 and 36a-193;

192 (53) "Reorganized savings institution" means any reorganized  
193 savings bank or reorganized savings and loan association;

194 (54) "Representative office" has the meaning given to that term in 12  
195 USC Section 3101, as amended from time to time;

196 (55) "Reserves for loan and lease losses" means the amounts  
197 reserved by a Connecticut bank against possible loan and lease losses  
198 as shown on the bank's consolidated reports of condition and income;

199 (56) "Retail deposits" means any deposits made by individuals who  
200 are not "accredited investors", as defined in 17 CFR 230.501(a);

201 (57) "Satellite device" means an automated teller machine which is  
202 not part of an office of the bank, Connecticut credit union or federal  
203 credit union which has established such machine;

204 (58) "Savings account" means a deposit account, other than an  
205 escrow account established pursuant to section 49-2a, into which  
206 savings deposits may be made and which account must be evidenced  
207 by periodic statements delivered at least semiannually or by a  
208 passbook;

209 (59) "Savings and loan association" means an institution chartered or  
210 organized under the laws of this state as a savings and loan  
211 association;

212 (60) "Savings bank" means an institution chartered or organized  
213 under the laws of this state as a savings bank;



214 (61) "Savings deposit" means any deposit other than a demand  
215 deposit or time deposit on which interest or a dividend is paid  
216 periodically;

217 (62) "Savings and loan holding company" has the meaning given to  
218 that term in 12 USC Section 1467a, as amended from time to time;

219 (63) "Share account holder" means a person who maintains a share  
220 account in a Connecticut credit union, federal credit union or out-of-  
221 state credit union that maintains in this state a branch, as defined in  
222 section 36a-435b;

223 (64) "State" means any state of the United States, the District of  
224 Columbia, any territory of the United States, Puerto Rico, Guam,  
225 American Samoa, the trust territory of the Pacific Islands, the Virgin  
226 Islands and the Northern Mariana Islands;

227 (65) "State agency" has the meaning given to that term in 12 USC  
228 Section 3101, as amended from time to time;

229 (66) "State branch" has the meaning given to that term in 12 USC  
230 Section 3101, as amended from time to time;

231 (67) "Subsidiary" has the meaning given to that term in 12 USC  
232 Section 1841(d), as amended from time to time;

233 (68) "Subsidiary holding company" means a stock holding company,  
234 controlled by a mutual holding company, that holds one hundred per  
235 cent of the stock of a reorganized savings institution;

236 (69) "Supervisory agency" means: (A) The commissioner; (B) the  
237 Federal Deposit Insurance Corporation; (C) the Resolution Trust  
238 Corporation; (D) the Office of Thrift Supervision; (E) the National  
239 Credit Union Administration; (F) the Board of Governors of the  
240 Federal Reserve System; (G) the United States Comptroller of the  
241 Currency; (H) the Bureau of Consumer Financial Protection; and (I)  
242 any successor to any of the foregoing agencies or individuals;

243        (70) "System" means the Nationwide Mortgage Licensing System  
244        and Registry, NMLS, NMLSR or such other name or acronym as may  
245        be assigned to the multistate system developed by the Conference of  
246        State Bank Supervisors and the American Association of Residential  
247        Mortgage Regulators and owned and operated by the State Regulatory  
248        Registry, LLC, or any successor or affiliated entity, for the licensing  
249        and registration of persons in the mortgage and other financial services  
250        industries;

251        [(70)] (71) "Time account" means an account into which time  
252        deposits may be made;

253        [(71)] (72) "Time deposit" means a deposit that the depositor or  
254        share account holder does not have a right and is not permitted to  
255        make withdrawals from within six days after the date of deposit,  
256        unless the deposit is subject to an early withdrawal penalty of at least  
257        seven days' simple interest on amounts withdrawn within the first six  
258        days after deposit, subject to those exceptions permissible under 12  
259        CFR Part 204, as amended from time to time;

260        [(72)] (73) "Trust bank" means a Connecticut bank organized to  
261        function solely in a fiduciary capacity; and

262        [(73)] (74) "Uninsured bank" means a Connecticut bank that does  
263        not accept retail deposits and for which insurance of deposits by the  
264        Federal Deposit Insurance Corporation or its successor agency is not  
265        required.

266        Sec. 2. Section 36a-3 of the 2014 supplement to the general statutes is  
267        repealed and the following is substituted in lieu thereof (*Effective from*  
268        *passage*):

269        Other definitions applying to this title or to specified parts thereof  
270        and the sections in which they appear are:

T1	"Account". Sections 36a-155 and 36a-365.
T2	"Additional proceeds". Section 36a-746e.
T3	"Administrative expense". Section 36a-237.
T4	"Advance fee". Sections 36a-485, <u>as amended by this act</u> , and 36a-615.
T5	"Advertise", "advertisement" or "advertising". Section 36a-485, <u>as</u>
T6	<u>amended by this act</u> .
T7	"Agency bank". Section 36a-285.
T8	"Agent". Section 36a-494.
T9	"Alternative mortgage loan". Section 36a-265.
T10	"Amount financed". Section 36a-690.
T11	"Annual percentage rate". Section 36a-690.
T12	"Annual percentage yield". Section 36a-316.
T13	"Annuities". Section 36a-455a.
T14	"Applicant". Section 36a-736.
T15	"APR". Section 36a-746a.
T16	"Assessment area". Section 36a-37.
T17	"Assets". Section 36a-70.
T18	"Associate". Section 36a-184.
T19	"Associated member". Section 36a-458a.
T20	"Authorized delegate". Section 36a-596.
T21	"Bank". Section 36a-30.
T22	"Bankers' bank". Section 36a-70.
T23	"Banking business". Section 36a-425.
T24	"Basic services". Section 36a-437a.
T25	"Billing cycle". Section 36a-565.
T26	"Bona fide nonprofit organization". Sections 36a-487 and 36a-655.
T27	"Branch". Sections 36a-145, 36a-410 and 36a-435b.
T28	"Branch office". Section 36a-485, <u>as amended by this act</u> .
T29	"Branch or agency net payment entitlement". Section 36a-428n.
T30	"Branch or agency net payment obligation". Section 36a-428n.
T31	"Broker". Section 36a-746a.
T32	"Business and industrial development corporation". Section 36a-626.
T33	"Business and property in this state". Section 36a-428n.
T34	"Capital". Section 36a-435b.

T35	"Cash advance". Section 36a-564.
T36	"Cash price". Section 36a-770.
T37	"Certificate of incorporation". Section 36a-435b.
T38	"CHFA loan". Section 36a-760.
T39	"Clerical or support duties". Section 36a-485, <u>as amended by this act.</u>
T40	"Closely related activities". Sections 36a-250 and 36a-455a.
T41	"Collective managing agency account". Section 36a-365.
T42	"Commercial vehicle". Section 36a-770.
T43	"Community bank". Section 36a-70.
T44	"Community credit union". Section 36a-37.
T45	"Community development bank". Section 36a-70.
T46	"Community reinvestment performance". Section 36a-37.
T47	"Connecticut holding company". Sections 36a-53 and 36a-410.
T48	"Consolidate". Section 36a-145.
T49	"Construction loan". Section 36a-458a.
T50	"Consumer". Sections 36a-155, 36a-676 and 36a-695.
T51	"Consumer Credit Protection Act". Section 36a-676.
T52	"Consumer debtor" and "debtor". Sections 36a-645 and 36a-800.
T53	"Consumer collection agency". Section 36a-800.
T54	"Consummation". Section 36a-746a.
T55	"Control person". Section 36a-485, <u>as amended by this act.</u>
T56	"Controlling interest". Section 36a-276.
T57	"Conventional mortgage rate". Section 36a-760.
T58	"Corporate". Section 36a-435b.
T59	"Credit". Sections 36a-645 and 36a-676.
T60	"Credit manager". Section 36a-435b.
T61	"Creditor". Sections 36a-676, 36a-695 and 36a-800.
T62	"Credit card", "cardholder" and "card issuer". Section 36a-676.
T63	"Credit clinic". Section 36a-700.
T64	"Credit rating agency". Section 36a-695.
T65	"Credit report". Section 36a-695.
T66	"Credit sale". Section 36a-676.
T67	"Credit union service organization". Section 36a-435b.
T68	"Credit union service organization services". Section 36a-435b.

T69	"De novo branch". Section 36a-410.
T70	"Debt". Section 36a-645.
T71	"Debt adjustment". Section 36a-655.
T72	"Debt mutual fund". Sections 36a-275 and 36a-459a.
T73	"Debt securities". Sections 36a-275 and 36a-459a.
T74	"Debtor". Section 36a-655.
T75	"Deliver". Section 36a-316.
T76	"Deposit". Section 36a-316.
T77	"Deposit account". Section 36a-316.
T78	"Deposit account charge". Section 36a-316.
T79	"Deposit account disclosures". Section 36a-316.
T80	"Deposit contract". Section 36a-316.
T81	"Deposit services". Section 36a-425.
T82	"Depositor". Section 36a-316.
T83	"Depository institution". Section 36a-485, <u>as amended by this act.</u>
T84	"Derivative transaction". Section 36a-262.
T85	"Director". Section 36a-435b.
T86	"Dwelling". Section 36a-485, <u>as amended by this act.</u>
T87	"Earning period". Section 36a-316.
T88	"Electronic payment instrument". Section 36a-596.
T89	"Eligible collateral". Section 36a-330.
T90	"Eligible entity". Section 36a-34.
T91	"Employee". Section 36a-485, <u>as amended by this act.</u>
T92	"Entity". Section 36a-380.
T93	"Equity mutual fund". Sections 36a-276 and 36a-459a.
T94	"Equity security". Sections 36a-276 and 36a-459a.
T95	"Executive officer". Sections 36a-263 and 36a-469c.
T96	"Expedited Connecticut bank". Section 36a-70.
T97	"Experience in the mortgage business". Section 36a-488.
T98	"Federal banking agency". Section 36a-485, <u>as amended by this act.</u>
T99	"Federal Credit Union Act". Section 36a-435b.
T100	"Federal Home Mortgage Disclosure Act". Section 36a-736.
T101	"FHA loan". Section 36a-760.
T102	"Fiduciary". Section 36a-365.

- T103 "Filing fee". Section 36a-770.
- T104 "Finance charge". Sections 36a-690 and 36a-770.
- T105 "Financial institution". Sections 36a-41, 36a-44a, 36a-155, 36a-316,
- T106 36a-330, 36a-435b, 36a-736 and 36a-755.
- T107 "Financial records". Section 36a-41.
- T108 "First mortgage loan". Sections 36a-485, as amended by this act, 36a-705
- T109 and 36a-725.
- T110 "Foreign banking corporation". Section 36a-425.
- T111 "Fully indexed rate". Section 36a-760b.
- T112 "General facility". Section 36a-580.
- T113 "Global net payment entitlement". Section 36a-428n.
- T114 "Global net payment obligation". Section 36a-428n.
- T115 "Goods". Sections 36a-535 and 36a-770.
- T116 "Graduated payment mortgage loan". Section 36a-265.
- T117 "Guardian". Section 36a-365.
- T118 "High cost home loan". Section 36a-746a.
- T119 "Holder". Section 36a-596.
- T120 "Home banking services". Section 36a-170.
- T121 "Home banking terminal". Section 36a-170.
- T122 "Home improvement loan". Section 36a-736.
- T123 "Home purchase loan". Section 36a-736.
- T124 "Home state". Section 36a-410.
- T125 "Housing finance agency". Section 36a-487.
- T126 "Immediate family member". Sections 36a-435b and 36a-485, as
- T127 amended by this act.
- T128 "Independent contractor". Section 36a-485, as amended by this act.
- T129 "Individual". Section 36a-485, as amended by this act.
- T130 "Insider". Section 36a-454b.
- T131 "Installment loan contract". Sections 36a-535 and 36a-770.
- T132 "Insurance". Section 36a-455a.
- T133 "Insurance bank". Section 36a-285.
- T134 "Insurance department". Section 36a-285.
- T135 "Interest". Section 36a-316.
- T136 "Interest rate". Section 36a-316.

- T137 "Interim interest". Section 36a-746a.
- T138 "Investments". Section 36a-602.
- T139 "Lender". Sections 36a-746a, 36a-760 and 36a-770.
- T140 "Lessor". Section 36a-676.
- T141 "License". Section 36a-626.
- T142 "Licensee". Sections 36a-596, 36a-607 and 36a-626.
- T143 "Limited branch". Section 36a-145.
- T144 "Limited facility". Section 36a-580.
- T145 "Loan broker". Section 36a-615.
- T146 "Loan processor or underwriter". Section 36a-485, as amended by this
- T147 act.
- T148 "Loss". Section 36a-330.
- T149 "Made in this state". Section 36a-770.
- T150 "Main office". Section 36a-485, as amended by this act.
- T151 "Managing agent". Section 36a-365.
- T152 "Manufactured home". Section 36a-457b.
- T153 "Material litigation". Section 36a-598.
- T154 "Member". Section 36a-435b.
- T155 "Member business loan". Section 36a-458a.
- T156 "Member in good standing". Section 36a-435b.
- T157 "Membership share". Section 36a-435b.
- T158 "Mobile branch". Sections 36a-145 and 36a-435b.
- T159 "Monetary value". Section 36a-596.
- T160 "Money transmission". Section 36a-596.
- T161 "Mortgage". Section 36a-760g.
- T162 "Mortgage broker". Sections 36a-485, as amended by this act, 36a-705
- T163 and 36a-760.
- T164 "Mortgage correspondent lender". Section 36a-485, as amended by this
- T165 act.
- T166 "Mortgage insurance". Section 36a-725.
- T167 "Mortgage lender". Sections 36a-485, as amended by this act, 36a-705
- T168 and 36a-725.
- T169 "Mortgage loan". Sections 36a-261, 36a-265, 36a-457b and 36a-736.
- T170 "Mortgage loan originator". Section 36a-485, as amended by this act.

T171	"Mortgage rate lock-in". Section 36a-705.
T172	"Mortgage servicing company". Section 36a-715.
T173	["Mortgage servicer". Section 36a-715.
T174	"Mortgagee". Section 36a-715.]
T175	"Mortgagor". Section 36a-715.
T176	"Motor vehicle". Section 36a-770.
T177	"Multiple common bond membership". Section 36a-435b.
T178	"Municipality". Section 36a-800.
T179	"Net outstanding member business loan balance". Section 36a-458a.
T180	"Net worth". Sections 36a-441a and 36a-458a.
T181	"Network". Section 36a-155.
T182	"Nonprime home loan". Section 36a-760.
T183	"Nonrefundable". Section 36a-498.
T184	"Nontraditional mortgage product". Section 36a-489a.
T185	"Note account". Sections 36a-301 and 36a-456b.
T186	"Office". Sections 36a-23, 36a-316 and 36a-485, <u>as amended by this act.</u>
T187	"Officer". Section 36a-435b.
T188	"Open-end credit plan". Section 36a-676.
T189	"Open-end line of credit". Section 36a-760.
T190	"Open-end loan". Section 36a-565.
T191	"Organization". Section 36a-800.
T192	"Out-of-state holding company". Section 36a-410.
T193	"Outstanding". Section 36a-596.
T194	"Passbook savings account". Section 36a-316.
T195	"Payment instrument". Section 36a-596.
T196	"Periodic statement". Section 36a-316.
T197	"Permissible investment". Section 36a-596.
T198	"Person". Sections 36a-184 and 36a-485, <u>as amended by this act.</u>
T199	"Post". Section 36a-316.
T200	"Prepaid finance charge". Section 36a-746a.
T201	"Prime quality". Section 36a-596.
T202	"Principal amount of the loan". Section 36a-485, <u>as amended by this act.</u>
T203	"Processor". Section 36a-155.
T204	"Public deposit". Section 36a-330.



- T205 "Purchaser". Section 36a-596.
- T206 "Qualified financial contract". Section 36a-428n.
- T207 "Qualified public depository" and "depository". Section 36a-330.
- T208 "Real estate". Section 36a-457b.
- T209 "Real estate brokerage activity". Section 36a-485, as amended by this
- T210 act.
- T211 "Records". Section 36a-17.
- T212 "Registered mortgage loan originator". Section 36a-485, as amended by
- T213 this act.
- T214 "Related person". Section 36a-53.
- T215 "Relocate". Sections 36a-145 and 36a-462a.
- T216 "Residential mortgage loan". [Sections] Section 36a-485, as amended by
- T217 this act. [and 36a-715.]
- T218 "Residential real estate". Section 36a-485, as amended by this act.
- T219 "Resulting entity". Section 36a-34.
- T220 "Retail buyer". Sections 36a-535 and 36a-770.
- T221 "Retail credit transaction". Section 42-100b.
- T222 "Retail installment contract". Sections 36a-535 and 36a-770.
- T223 "Retail installment sale". Sections 36a-535 and 36a-770.
- T224 "Retail seller". Sections 36a-535 and 36a-770.
- T225 "Reverse annuity mortgage loan". Section 36a-265.
- T226 "Sales finance company". Sections 36a-535 and 36a-770.
- T227 "Savings department". Section 36a-285.
- T228 "Savings deposit". Section 36a-316.
- T229 "Secondary mortgage loan". Section 36a-485, as amended by this act.
- T230 "Security convertible into a voting security". Section 36a-184.
- T231 "Senior management". Section 36a-435b.
- T232 "Settlement agent". Section 36a-494.
- T233 "Share". Section 36a-435b.
- T234 "Simulated check". Section 36a-485, as amended by this act.
- T235 "Single common bond membership". Section 36a-435b.
- T236 "Special mortgage". Section 36a-760c.
- T237 "Social purpose investment". Section 36a-277.
- T238 "Sponsored". Section 36a-485, as amended by this act.

T239 "Standard mortgage loan". Section 36a-265.  
T240 "Stored value". Section 36a-596.  
T241 ["System". Section 36a-485.]  
T242 "Table funding agreement". Section 36a-485, as amended by this act.  
T243 "Tax and loan account". Sections 36a-301 and 36a-456b.  
T244 "The Savings Bank Life Insurance Company". Section 36a-285.  
T245 "Time account". Section 36a-316.  
T246 "Travelers check". Section 36a-596.  
T247 "Troubled Connecticut credit union". Section 36a-448a.  
T248 "Unique identifier". Section 36a-485, as amended by this act.  
T249 "Unsecured loan". Section 36a-615.  
T250 "Value". Section 36a-603.  
T251 "Warehouse agreement". Section 36a-485, as amended by this act.

271 Sec. 3. Section 36a-485 of the general statutes is repealed and the  
272 following is substituted in lieu thereof (*Effective from passage*):

273 As used in this section and sections 36a-486 to 36a-498f, inclusive, as  
274 amended by this act, 36a-534a to 36a-534c, inclusive, unless the context  
275 otherwise requires:

276 (1) "Advance fee" means any consideration paid or given, directly or  
277 indirectly, to a mortgage lender, mortgage correspondent lender or  
278 mortgage broker required to be licensed pursuant to sections 36a-485  
279 to 36a-498f, inclusive, and sections 36a-534a and 36a-534b, prior to the  
280 closing of a residential mortgage loan to any person, including, but not  
281 limited to, loan fees, points, broker's fees or commissions, transaction  
282 fees or similar prepaid finance charges;

283 (2) "Advertise", "advertisement" or "advertising" means the use of  
284 any announcement, statement, assertion or representation that is  
285 placed before the public in a newspaper, magazine or other  
286 publication, or in the form of a notice, circular, pamphlet, letter or  
287 poster or over any radio or television station, by means of the Internet,

288 or by other electronic means of distributing information, by personal  
289 contact, or in any other way;

290 (3) "Branch office" means a location other than the main office at  
291 which a licensee or any person on behalf of a licensee acts as a  
292 mortgage lender, mortgage correspondent lender, [or] mortgage  
293 broker or mortgage loan originator;

294 (4) "Control person" means an individual that directly or indirectly  
295 exercises control over another person. Any person that (A) is a  
296 director, general partner or executive officer; (B) directly or indirectly  
297 has the right to vote ten per cent or more of a class of any voting  
298 security or has the power to sell or direct the sale of ten per cent or  
299 more of any class of voting securities; (C) in the case of a limited  
300 liability company, is a managing member; or (D) in the case of a  
301 partnership, has the right to receive upon dissolution, or has  
302 contributed, ten per cent or more of the capital, is presumed to be a  
303 control person. For purposes of this subdivision, "control" means the  
304 power, directly or indirectly, to direct the management or policies of a  
305 company, whether through ownership of securities, by contract or  
306 otherwise;

307 (5) "Depository institution" has the same meaning as provided in  
308 Section 3 of the Federal Deposit Insurance Act, 12 USC 1813, and  
309 includes any Connecticut credit union, federal credit union or out-of-  
310 state credit union;

311 (6) "Dwelling" has the same meaning as provided in Section 103 of  
312 the Consumer Credit Protection Act, 15 USC 1602;

313 (7) "Employee" means an individual (A) whose manner and means  
314 of work performance are subject to the right of control of, or are  
315 controlled by, a person, and (B) whose compensation is reported or  
316 required to be reported on a W-2 form issued by the controlling  
317 person. For purposes of the definition of "registered mortgage loan  
318 originator", "employee" has the foregoing meaning or such other

319 meaning as the federal banking agencies may issue in connection with  
320 such agencies' implementation of such agencies' responsibilities under  
321 the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC 5101 et seq.;

322 (8) "Federal banking agency" means the Board of Governors of the  
323 Federal Reserve System, the Comptroller of the Currency, the Director  
324 of the Office of Thrift Supervision, the National Credit Union  
325 Administration and the Federal Deposit Insurance Corporation;

326 (9) "First mortgage loan" means a residential mortgage loan that is  
327 secured by a first mortgage;

328 (10) "Immediate family member" means a spouse, child, sibling,  
329 parent, grandparent or grandchild and includes stepparents,  
330 stepchildren, stepsiblings and adoptive relationships;

331 (11) "Independent contractor" means an individual retained on a  
332 basis where the individual is not an employee of any person in  
333 connection with the services such individual provides and whose  
334 compensation is reported or required to be reported on an Internal  
335 Revenue Service Form 1099 issued by the retaining person;

336 (12) "Individual" means a natural person;

337 (13) "Loan processor or underwriter" means an individual who  
338 performs clerical or support duties. The term "clerical or support  
339 duties" includes, subsequent to the receipt of an application, (A) the  
340 receipt, collection, distribution and analysis of information common  
341 for the processing or underwriting of a residential mortgage loan, and  
342 (B) communication with a consumer to obtain the information  
343 necessary for the processing or underwriting of a loan to the extent  
344 that such communication does not include offering or negotiating loan  
345 rates or terms or counseling consumers about residential mortgage  
346 loan rates or terms;

347 (14) "Main office" means the main address designated on the

348 system;

349 (15) "Mortgage broker" (A) means a person who (i) for  
350 compensation or gain or with the expectation of compensation or gain  
351 (I) takes a residential mortgage loan application, or (II) offers or  
352 negotiates terms of a residential mortgage loan, and (ii) is not the  
353 prospective source of the funds for the residential mortgage loan, (B)  
354 but does not include (i) an individual who is licensed as a mortgage  
355 loan originator acting as a mortgage loan originator on behalf of such  
356 mortgage loan originator's sponsoring mortgage lender, mortgage  
357 correspondent lender, mortgage broker or exempt registrant, or (ii) an  
358 individual exempt from mortgage loan originator licensure under  
359 subdivision (2) of subsection (b) of section 36a-486, as amended by this  
360 act, when acting within the scope of such exemption;

361 (16) "Mortgage correspondent lender" means a person engaged in  
362 the business of making residential mortgage loans in such person's  
363 own name where the loans are not held by such person for more than  
364 ninety days and are funded by another person through a warehouse  
365 agreement, table funding agreement or similar agreement;

366 (17) "Mortgage lender" means a person engaged in the business of  
367 making residential mortgage loans in such person's own name  
368 utilizing such person's own funds or by funding loans through a  
369 warehouse agreement, table funding agreement or similar agreement;

370 (18) "Mortgage loan originator" means an individual who for  
371 compensation or gain or with the expectation of compensation or gain,  
372 either for such individual or for the person employing or retaining  
373 such individual, (A) takes a residential mortgage loan application, or  
374 (B) offers or negotiates terms of a residential mortgage loan. "Mortgage  
375 loan originator" does not include (i) an individual engaged solely as a  
376 loan processor or underwriter; (ii) a person who only performs real  
377 estate brokerage activities and is licensed in accordance with chapter  
378 392, unless the person is compensated by a mortgage lender, mortgage

379 correspondent lender, mortgage broker or other mortgage loan  
380 originator or by any agent of such mortgage lender, mortgage  
381 correspondent lender, mortgage broker or other mortgage loan  
382 originator; (iii) a person solely involved in extensions of credit relating  
383 to timeshare plans, as that term is defined in Paragraph 53D of 11 USC  
384 101; or (iv) any individual who solely renegotiates terms for existing  
385 mortgage loans on behalf of a mortgagee and who does not otherwise  
386 act as a mortgage loan originator, unless the United States Department  
387 of Housing and Urban Development, the Bureau of Consumer  
388 Financial Protection or a court of competent jurisdiction determines  
389 that the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC Section 5101  
390 et seq., requires such individual to be licensed as a mortgage loan  
391 originator under state laws implementing said S.A.F.E. Mortgage  
392 Licensing Act;

393 (19) "Office" means a branch office or a main office;

394 (20) "Person" means a natural person, corporation, company, limited  
395 liability company, partnership or association;

396 (21) "Principal amount of the loan" means the gross amount the  
397 borrower is obligated to repay including any prepaid finance charge  
398 that is financed, and any other charge that is financed;

399 (22) "Real estate brokerage activity" means any activity that involves  
400 offering or providing real estate brokerage services to the public,  
401 including (A) acting as a real estate agent or real estate broker for a  
402 buyer, seller, lessor or lessee of real property; (B) bringing together  
403 parties interested in the sale, purchase, lease, rental or exchange of real  
404 property; (C) negotiating, on behalf of any party, any portion of a  
405 contract relating to the sale, purchase, lease, rental or exchange of real  
406 property, other than in connection with providing financing with  
407 respect to any such transaction; (D) engaging in any activity for which  
408 a person engaged in the activity is required to be registered or licensed  
409 as a real estate agent or real estate broker under any applicable law;

410 and (E) offering to engage in any activity, or act in any capacity,  
411 described in this subdivision;

412 (23) "Registered mortgage loan originator" means any individual  
413 who (A) meets the definition of mortgage loan originator and is an  
414 employee of a depository institution, a subsidiary that is owned and  
415 controlled by a depository institution and regulated by a federal  
416 banking agency, or an institution regulated by the Farm Credit  
417 Administration; and (B) is registered with and maintains a unique  
418 identifier through the system;

419 (24) "Residential mortgage loan" means any loan primarily for  
420 personal, family or household use that is secured by a mortgage, deed  
421 of trust or other equivalent consensual security interest on a dwelling  
422 or residential real estate upon which is constructed or intended to be  
423 constructed a dwelling;

424 (25) "Residential real estate" means any real property located in this  
425 state, upon which is constructed or intended to be constructed a  
426 dwelling;

427 (26) "Secondary mortgage loan" means a residential mortgage loan  
428 that is secured, in whole or in part, by a mortgage, provided such  
429 property is subject to one or more prior mortgages;

430 (27) "Simulated check" means a document that imitates or resembles  
431 a check but is not a negotiable instrument;

432 (28) "Sponsored" means employed or retained as an independent  
433 contractor;

434 [(29) "System" means the Nationwide Mortgage Licensing System  
435 and Registry developed and maintained by the Conference of State  
436 Bank Supervisors and the American Association of Residential  
437 Mortgage Regulators for the licensing and registration of mortgage  
438 lenders, mortgage correspondent lenders, mortgage brokers, mortgage

439 loan originators and loan processors or underwriters;]

440 [(30)] (29) "Table funding agreement" means an agreement wherein  
441 a person agrees to fund mortgage loans to be made in another person's  
442 name and to purchase such loans after they are made;

443 [(31)] (30) "Unique identifier" means a number or other identifier  
444 assigned by protocols established by the system; and

445 [(32)] (31) "Warehouse agreement" means an agreement to provide  
446 credit to a person to enable the person to have funds to make  
447 residential mortgage loans and hold such loans pending sale to other  
448 persons.

449 Sec. 4. Section 36a-21 of the 2014 supplement to the general statutes  
450 is repealed and the following is substituted in lieu thereof (*Effective*  
451 *from passage*):

452 (a) Notwithstanding any provision of state law and except as  
453 provided in subsections (b) and (d) of this section and subdivision (2)  
454 of subsection (a) of section 36a-534b, the following records of the  
455 Department of Banking shall not be disclosed by the commissioner or  
456 any employee of the Department of Banking, or be subject to public  
457 inspection or discovery:

458 (1) Examination and investigation reports and information  
459 contained in or derived from such reports, including examination  
460 reports prepared by the commissioner or prepared on behalf of or for  
461 the use of the commissioner;

462 (2) Confidential supervisory or investigative information obtained  
463 from a state, federal or foreign regulatory or law enforcement agency;

464 (3) Information obtained, collected or prepared in connection with  
465 examinations, inspections or investigations, and complaints from the  
466 public received by the Department of Banking, if such records are  
467 protected from disclosure under federal or state law or, in the opinion



468 of the commissioner, such records would disclose, or would  
469 reasonably lead to the disclosure of: (A) Investigative information the  
470 disclosure of which would be prejudicial to such investigation, until  
471 such time as the investigation and all related administrative and legal  
472 actions are concluded; (B) personal or financial information, including  
473 account or loan information, without the written consent of the person  
474 or persons to whom the information pertains; or (C) information that  
475 would harm the reputation of any person or affect the safety and  
476 soundness of any person whose activities in this state are subject to the  
477 supervision of the commissioner, and the disclosure of such  
478 information under this subparagraph would not be in the public  
479 interest; and

480 (4) Information obtained, collected or prepared in connection with  
481 the organization of an expedited Connecticut bank prior to the  
482 issuance of a final certificate of authority to commence the business of  
483 a Connecticut bank pursuant to section 36a-70.

484 (b) The commissioner may, without waiving any privilege, disclose  
485 the records described in subsection (a) of this section for any  
486 appropriate supervisory, governmental, law enforcement or other  
487 public purpose. Any such disclosure shall be made under safeguards  
488 designed to prevent further dissemination of such records. In any  
489 proceeding before a court, the court may issue a protective order in  
490 appropriate circumstances to protect the confidentiality of any such  
491 record and order that any such record on file with the court or filed in  
492 connection with the court proceeding be sealed and that the public be  
493 excluded from any portion of the proceeding at which any such record  
494 is disclosed.

495 (c) No director, officer, employee or agent of any Connecticut bank,  
496 Connecticut credit union or licensee under section 36a-380 or 36a-628  
497 shall disclose without the prior written consent of the commissioner  
498 any information contained in an examination report about such bank,  
499 credit union or licensee which information is not otherwise a matter of

500 public record.

501       [(d) (1) The provisions of subsections (a) and (b) of this section shall  
502 not apply to the disclosure of any record provided to or maintained by  
503 the commissioner with the system. Except as otherwise provided in  
504 Section 1512 of the federal S.A.F.E. Mortgage Licensing Act of 2008,  
505 any requirements under federal law or any law of this state, including  
506 this section and chapter 14 and any privilege arising under federal law  
507 or any law of this state, including the rules of any federal court or  
508 court of this state that protect the disclosure of any record provided to  
509 or maintained with the system, shall continue to apply to such record  
510 after it has been disclosed to the system. Such record may be shared  
511 with all state and federal regulatory officials that have oversight  
512 authority over the mortgage industry without the loss of privilege or  
513 the loss of confidentiality protections provided by federal law or the  
514 laws of this state.]

515       (d) (1) Except as otherwise provided in this section, the  
516 requirements under any federal or state law regarding the privacy or  
517 confidentiality of any information or material provided to the system,  
518 as defined in section 36a-2, as amended by this act, and any privilege  
519 arising under federal or state law, including the rules of any federal or  
520 state court, with respect to such information or material, shall continue  
521 to apply to such information or material after the information or  
522 material has been disclosed to the system. Such information and  
523 material may be shared with all federal and state regulatory officials  
524 with mortgage or other financial services industry oversight authority  
525 without the loss of privilege or the loss of confidentiality protection  
526 provided by federal or state law. For purposes of this subsection, the  
527 commissioner may enter into agreements or sharing arrangements  
528 with other governmental agencies, the Conference of State Bank  
529 Supervisors, the American Association of Residential Mortgage  
530 Regulators or associations representing governmental agencies.

531       (2) Any information or material that is [protected from disclosure]

532 under subdivision (1) of this subsection subject to privilege or  
533 confidentiality shall not be subject to (A) disclosure under any federal  
534 or state law governing disclosure to the public of information held by  
535 an officer or agency of the federal government or the respective state;  
536 or (B) subpoena, discovery or admission into evidence in any private  
537 civil action or administrative process, except a person may, at such  
538 person's discretion, waive in whole or in part a privilege held by the  
539 system concerning such information and material.

540 (3) Any law of this state relating to the disclosure of confidential  
541 supervisory information or of any information or material described in  
542 subdivision (1) of this subsection that is inconsistent with subdivision  
543 (1) shall be superseded by the requirements of this subsection.

544 (e) The confidentiality provisions of this section shall not apply to  
545 records relating to the employment history of, and publicly  
546 adjudicated disciplinary and enforcement actions against, [mortgage  
547 loan originators or loan processors or underwriters] persons that are  
548 included in the system for access by the public.

549 [(f) For purposes of this section, "system" has the same meaning as  
550 provided in section 36a-485.]

551 Sec. 5. Subsection (c) of section 36a-51 of the general statutes is  
552 repealed and the following is substituted in lieu thereof (*Effective from*  
553 *passage*):

554 (c) Any licensee may surrender any license issued by the  
555 commissioner under any provision of the general statutes by  
556 surrendering the license to the commissioner in person or by  
557 registered or certified mail, provided, in the case of a license issued  
558 [pursuant to part I of chapter 668] through the system, as defined in  
559 section 36a-2, as amended by this act, such surrender shall be initiated  
560 by filing a request to surrender on the system. [, as defined in section  
561 36a-485, in accordance with section 36a-490.] No surrender on the  
562 system shall be effective until the request for surrender is accepted by

563 the commissioner. Surrender of a license shall not affect the licensee's  
564 civil or criminal liability, or affect the commissioner's ability to impose  
565 an administrative penalty on the licensee pursuant to section 36a-50 for  
566 acts committed prior to the surrender. If, prior to receiving the license,  
567 or, in the case of a license issued [pursuant to part I of chapter 668,]  
568 through the system prior to the filing of a request to surrender a  
569 license, [under section 36a-490,] the commissioner has instituted a  
570 proceeding to suspend, revoke or refuse to renew such license, such  
571 surrender or request to surrender will not become effective except at  
572 such time and under such conditions as the commissioner by order  
573 determines. If no proceeding is pending or has been instituted by the  
574 commissioner at the time of surrender, or, in the case of a license  
575 issued [pursuant to part I of chapter 668] through the system, at the  
576 time a request to surrender is filed, the commissioner may still institute  
577 a proceeding to suspend, revoke or refuse to renew a license under  
578 subsection (a) of this section up to the date one year after the date of  
579 receipt of the license by the commissioner, or, in the case of a license  
580 issued [pursuant to part I of chapter 668] through the system, up to the  
581 date one year after the date of the acceptance by the commissioner of a  
582 request to surrender a license. [under section 36a-490.]

583       Sec. 6. (NEW) (*Effective October 1, 2014*) (a) In addition to any other  
584 duties imposed upon the Banking Commissioner by law, the  
585 commissioner is authorized to require persons engaged in a financial  
586 services industry subject to the commissioner's jurisdiction to be  
587 licensed or registered through the system, as defined in section 36a-2  
588 of the general statutes, as amended by this act.

589       (b) In the event the commissioner elects to require system-based  
590 licensure for persons engaged in a financial services industry subject to  
591 the commissioner's jurisdiction, the commissioner shall require all  
592 initial or renewal applications for such licenses or registrations in this  
593 state to be made and processed through the system in such form as the  
594 commissioner may prescribe, and the system shall be authorized to  
595 receive and maintain records related to such licenses or registrations to

596 the same extent allowed or required to be maintained by the  
597 commissioner. For this purpose, the commissioner may establish  
598 requirements by order as necessary for participation in the system,  
599 including, but not limited to: (1) Background checks, including in the  
600 case of any form of business organization, checks on the individuals  
601 comprising the ownership or management of such organization, for  
602 criminal history through (A) fingerprint submission to the Federal  
603 Bureau of Investigation or other state, national or international  
604 criminal databases, (B) civil, criminal or administrative records from  
605 any governmental jurisdiction, (C) credit history, including an  
606 independent credit report obtained from a consumer reporting agency  
607 described in Section 603(p) of the Fair Credit Reporting Act, 15 USC  
608 1681a, or (D) any other information as deemed necessary by the  
609 system; (2) the payment of fees to apply for or renew licenses or  
610 registrations through the system; (3) the setting or resetting of license  
611 expiration, renewal or transition dates or reporting dates or forms; and  
612 (4) the requirements for amending or surrendering a license or any  
613 other such activities as the commissioner deems necessary for  
614 participation in the system. Such information may thereafter be used  
615 by the commissioner to determine an applicant's eligibility for  
616 licensing under applicable law and any order issued by the  
617 commissioner pursuant to this section. For the purpose of participating  
618 in the system, the commissioner may by order waive or modify, in  
619 whole or in part, any applicable requirement of title 36a of the general  
620 statutes and establish new requirements as reasonably necessary. For  
621 the purpose of implementing an orderly and efficient licensing  
622 process, the commissioner may adopt licensing regulations, in  
623 accordance with the provisions of chapter 54 of the general statutes,  
624 and interim procedures for licensing and acceptance of applications.

625 (c) In the event the commissioner elects to require system-based  
626 licensure for persons engaged in financial services industries subject to  
627 the commissioner's jurisdiction, the commissioner may report  
628 regularly to the system violations of and enforcement actions under

629 applicable law and other relevant information. The commissioner may  
630 establish relationships or enter into contracts with the system or other  
631 entities designated by the system to collect and maintain records and  
632 process transaction fees or other fees related to licensees or other  
633 persons required or permitted to be licensed or registered on the  
634 system.

635 (d) To reduce the points of contact that the commissioner or the  
636 Federal Bureau of Investigation may have to maintain for purposes of  
637 title 36a of the general statutes, the commissioner may use the system  
638 as a channeling agent for requesting information from and distributing  
639 information to the United States Department of Justice, any  
640 governmental agency or any other source as directed by the  
641 commissioner.

642 (e) A person required or permitted to be licensed or registered on  
643 the system may challenge information entered into the system by the  
644 commissioner. Such challenge shall (1) be made in writing to the  
645 commissioner, (2) set forth the specific information being challenged,  
646 and (3) include any evidence which supports the challenge. A  
647 challenge shall be limited to the factual accuracy of information within  
648 the system. If the commissioner determines that the information  
649 entered into the system is factually inaccurate, the commissioner shall  
650 take prompt action to correct such information. Nothing in this  
651 subsection shall be construed to permit a challenge under this section  
652 to the merits or factual basis of any administrative action taken by the  
653 commissioner pursuant to title 36a of the general statutes.

654 (f) A person making any filing or submission of any information on  
655 the system shall do so in accordance with the procedures and  
656 requirements of the system and shall pay applicable fees or charges to  
657 the system. Each person required to obtain registration or licensure  
658 through the system shall timely submit to the system accurate reports  
659 that shall be in such form and contain such information as the system  
660 may require.

661 (g) All fees paid for any initial application for a license or  
662 registration or for a renewal application for a license or registration,  
663 including, but not limited to, fees paid in connection with an  
664 application that is denied or withdrawn prior to the issuance of the  
665 license or registration, shall be nonrefundable. No fee shall be prorated  
666 if the license or registration is surrendered, revoked or suspended  
667 prior to the expiration of the period for which it was approved.

668 (h) The commissioner may automatically suspend a license or  
669 registration of a person on the system if such person receives a  
670 deficiency on the system indicating that a required payment was  
671 Returned-ACH or returned pursuant to any other term as may be  
672 utilized by the system to indicate that payment was not accepted. After  
673 a license or registration has been automatically suspended pursuant to  
674 this subsection, the commissioner shall give such licensee or registrant  
675 notice of the automatic suspension, pending proceedings for  
676 revocation or refusal to renew and an opportunity for a hearing on  
677 such action in accordance with section 36a-51 of the general statutes, as  
678 amended by this act, and require such licensee to take or refrain from  
679 taking such action that, in the opinion of the commissioner, will  
680 effectuate the purposes of this subsection.

681 (i) The commissioner may deem an application for a license or  
682 registration on the system abandoned if the applicant fails to respond  
683 to any request for required information. The commissioner shall notify  
684 the applicant on the system that if such information is not submitted  
685 within sixty days of the date of such request the application shall be  
686 deemed abandoned. An application filing fee paid prior to the date an  
687 application is deemed abandoned pursuant to this subsection shall not  
688 be refunded. Abandonment of an application pursuant to this  
689 subsection shall not preclude the applicant from submitting a new  
690 application for a license or registration.

691 (j) The commissioner may issue a temporary order to cease business  
692 under a license or registration if the commissioner determines that

693 such license or registration was issued erroneously. The commissioner  
694 shall give the licensee an opportunity for a hearing on such action in  
695 accordance with section 36a-52 of the general statutes. Such temporary  
696 order shall become effective upon receipt by the licensee and, unless  
697 set aside or modified by a court, shall remain in effect until the  
698 effective date of a permanent order or dismissal of the matters asserted  
699 in the notice.

700 Sec. 7. Subdivision (2) of subsection (b) of section 36a-486 of the  
701 general statutes is repealed and the following is substituted in lieu  
702 thereof (*Effective October 1, 2014*):

703 (2) The following are exempt from this section: (A) A registered  
704 mortgage loan originator or an employee of an institution or  
705 subsidiary described in subdivision (23) of section 36a-485, as  
706 amended by this act, who is not required to be registered under  
707 Section 1507 of the S.A.F.E. Mortgage Licensing Act of 2008, 12 USC  
708 Section 5101 et seq., when acting for such institution or subsidiary; (B)  
709 an individual who offers or negotiates the terms of a residential  
710 mortgage loan with or on behalf of an immediate family member of  
711 such individual; (C) an individual who offers or negotiates the terms of  
712 a residential mortgage loan secured by a dwelling that served as the  
713 individual's residence, unless the context demonstrates that such  
714 individual engaged in such activities with a degree of habitualness or  
715 repetition; (D) a Connecticut licensed attorney who negotiates the  
716 terms of a residential mortgage loan on behalf of a client as an ancillary  
717 matter to the attorney's representation of the client, unless the attorney  
718 is compensated by a mortgage lender, mortgage correspondent lender,  
719 mortgage broker or other mortgage loan originator or by any agent of  
720 such mortgage lender, mortgage correspondent lender, mortgage  
721 broker or other mortgage loan originator; (E) an individual who takes  
722 a residential mortgage loan application or offers or negotiates terms of  
723 a residential mortgage loan as an employee of a federal, state or local  
724 government agency or housing finance agency exempt from licensure  
725 pursuant to section 36a-487, and who does so only pursuant to such



individual's official duties as an employee of such agency; (F) an individual who takes a residential mortgage loan application or offers or negotiates terms of a residential mortgage loan as an employee of an organization that has obtained bona fide nonprofit status from the commissioner and is exempt from licensure pursuant to section 36a-487, and who does so only pursuant to such individual's official duties as an employee of such organization; and (G) an individual who offers or negotiates the terms of a residential mortgage loan secured by a dwelling that is not the individual's residence but is owned by such individual, unless the context demonstrates that such individual engaged in such activities with a degree of habitualness or repetition.

Sec. 8. Subdivision (10) of section 36a-498e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2014*):

(10) Negligently make any false statement or knowingly and wilfully make any omission of material fact in connection with any information or reports filed with a governmental agency or the system, as defined in section [36a-485] 36a-2, as amended by this act, or in connection with any investigation conducted by the Banking Commissioner or another governmental agency;

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	36a-2
Sec. 2	<i>from passage</i>	36a-3
Sec. 3	<i>from passage</i>	36a-485
Sec. 4	<i>from passage</i>	36a-21
Sec. 5	<i>from passage</i>	36a-51(c)
Sec. 6	<i>October 1, 2014</i>	New section
Sec. 7	<i>October 1, 2014</i>	36a-486(b)(2)
Sec. 8	<i>October 1, 2014</i>	36a-498e(10)

***Statement of Purpose:***

To authorize the Banking Commissioner to use the Nationwide Mortgage Licensing System and Registry for licensing or registration of any person engaged in a financial services industry within the jurisdiction of the commissioner.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*